GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1269
ANSWERED ON:13.08.2013
INVESTMENT IN AGRICULTURE SECTOR
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether Public and Private investment as well as Foreign Direct Investment (FDI) is permitted in agriculture and allied sectors including construction of warehousing and cold storage for agricultural produce;

(b) if so, the details thereof along with the total FDI committed and remitted during each of the last three years and the current year, sector-wise;

(c) whether the Government has studied the impact of the remitted FDI on the performance of agriculture and allied sectors;

(d) if so, the major findings of the study and the Government`s reaction thereto; and

(e) the steps being taken by the Government to attract greater FDI in the under-served agriculture and allied sectors?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND FOOD PROCESSING INDUSTRIES (SHRI TARIQ ANWAR)

(a): Yes, Madam. FDI, up to 100% is permitted, under the automatic route, subject to certain conditions mentioned in Consolidate FDI Policy, in the following agricultural activities:

(i) Floriculture, Horticulture, Apiculture and Cultivation of Vegetables & Mushrooms under controlled conditions;

(ii) Development and production of Seeds and planting material;

(iii) Animal Husbandry (including breeding of dogs), Pisciculture, Aquaculture, under controlled conditions; and

(iv) Services related to agro and allied sectors.

Also 100% FDI is also permitted in tea sector.

Besides the above, FDI is not allowed in any other agricultural sector/ activity.

Public and private investments are also being made in agriculture and allied sectors.

(b): Year-wise amounts of public and private investments in agriculture & allied sectors are given at Annexure I. Year wise amounts of FDI inflows in different sectors of agriculture are given at annexure II.

(c): No, Madam.

(d): Does not arise.

(e): Policy for FDI in Multi-Brand Retail Trading (MBRT) provides that at least 50% of the first tranche of US $ 100 million shall be invested in back- end infrastructure which includes construction of warehousing and cold storages.